MILLIONS USE PINS, NOT PENS, TO SIGN THEIR TAX RETURNS

WASHINGTON -- More than 3.3 million taxpayers have used PINs (Personal Identification Numbers) -- instead of pens -- to "sign" their computer-filed tax returns this year. They are clients of the 18,000 tax preparers participating in an Internal Revenue Service pilot program to substitute digital signatures for the paper documents usually associated with tax filings. The total as of Feb. 25 was already more than six times the number for all of last year.

"We're pleased with the enthusiastic response these numbers reflect," said Robert Barr, IRS Assistant Commissioner for Electronic Tax Administration. "Preparers may have been cautious about trying this new e-filing feature last year, but we think they now appreciate the benefits for their clients and themselves."

The IRS chose more than twice as many preparers for this year's program as it did when the pilot started in 1999. Participants give their clients the option of creating their own five-digit identification numbers to use as signatures when e-filing, eliminating the need to mail any form to the IRS. The preparer keeps a record of the number chosen in the client's file, in case the IRS needs to verify it. Unlike most PINs, this number is for a one-time use, so a taxpayer doesn't have to remember it next year.

This tax preparer pilot is one of two the IRS is running to counter a potential barrier to e-filing: the need to mail a paper form after transmitting the electronic data. The other pilot allows taxpayers who do their own returns by computer to use an "E-file Customer Number" (ECN) in place of a signature document.

In December, the IRS mailed more than 11.5 million postcards with ECNs to people who did their taxes on a computer last year, whether they filed a paper or electronic return. By e-filing with the ECN, these taxpayers won't have to mail anything to the IRS. More than 625,000 have already used ECNs, nearly matching the 660,000 total for all of 1999.

As of Feb. 25, the IRS had received 21.2 million e-filed returns, 53.6 percent of all returns received. The IRS has processed \$52.1 billion in refunds for 28.4 million taxpayers. At \$1,834, the average refund is 6.1 percent higher than this time last year.

2000 FILING SEASON STATISTICS

Cumulative through the week ending 2/26/99 and 2/25/00

	<u>1999</u>	<u>2000</u>	% Change	
Individual Income Tax Returns				
Total Receipts Total Processed	39,058,000 27,360,000	39,457,000 30,767,000	1.0 12.5	
E-filing Receipts: TOTAL TeleFile (phone) Computer Tax Professionals	18,487,000 3,869,000 14,618,000 13,509,000	21,157,000 3,471,000 17,686,000 15,512,000	14.4 21.0 14.8	-10.3
Self-prepared 1,109,000 2,174,000 96.0 Refunds Certified by the Martinsburg Computing Center:				
Number Amount of principal Average refund	25,171,000 \$43.513 billion \$1729	28,397,000 \$52.094 billion \$1834	12.8 19.7 6.1	
Direct Deposit Refunds:				
Number Amount	13,497,000 \$29.290 billion	16,403,000 \$36.674 billion	21.5 1	25.2